

**Achievement of Market-Friendly Initiatives and Results Program  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

**Financial Tools TOT Refresher Course for SMTP Trainers**

Final Report

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## **Table of Contents**

	Page
Executive Summary – Objectives	1
Observations	2
Recommendations	3

Note: Attached is the training material presented during the training session, the material is an Arabic Power Point Presentation.

## Executive Summary

The objective of this consultancy was to deliver one-day training in the Sustainable Microfinance Training Program SMTP/ TOT Refresher Course to give the trainers the opportunity to:

- Familiarize themselves with the financial modules, paying special attention to the nuances of the financial tools and analysis related to both the basic and the advanced courses.
- Insure good quality and consistency of delivery for the financial modules.
- Refresh trainers information in the areas of accounting and finance
- Enhance their analytical skills with newly developed case studies and examples being discussed and worked out.

The delivery of the training covered most of the accounting and finance topics related to both Basic and Advanced (SMTP) courses where eight SMTP trainers attended the workshop in addition to AMIR Program representative.

The training day started by an introduction, which outlined the scope of financial analysis vs. credit analysis and outlined the importance of solid financial analysis in the enhancement of credit analysis in general. The delivery of basic financial statement was based on development of balance sheet and income statement of hypothetical business by the trainers who developed the statement in groups. The exercise significantly allowed for better understanding of the interrelations between the two statements and improved trainers reading and interpretation of accounting numbers.

The refresher also discussed thoroughly the issue of interest rate calculation (nominal vs effective interest rate), with a number of cases being solved and discussed. The concept of sustainable interest rate for Microfinance Institutions was presented and tested on two examples to elaborate the role of different sustainability components on the rate. The Breakeven Point was presented to the participants, the discussion in this regard focused on the terminology, analytical usefulness for credit officers and the delivery of the breakeven determination using graphic and mathematical approaches. The discussions covered also cash flow analysis, delinquency measures, sustainability levels and the effect of saving component on sustainability.

**Observations:**

The following are observations from the training session:

- Collaborative work was obvious among team members.
- Discussion was in general lively, simulative and interactive.
- All participants were totally engaged in discussions and problem solving exercises.
- The flow of training was dynamic and positive.
- The Trainers applied well-diversified training methodologies.
- Greatest emphasis was given to questions and answers and group work for case studies solution.
- Objectives of the workshop and expectations of the participants were met through the positive interaction and feedback given

**Recommendations:**

- Regular financial analysis refreshment related to SMTP is recommended.
- To further develop the financial analysis skills of the SMTP trainers, an advanced financial analysis course is recommended.
- Study tours to specialized financial training institutions related to Microfinance is highly recommended.